

Christchurch City Council EXTRAORDINARY MEETING AGENDA

Notice of Meeting:

An extraordinary meeting of the Christchurch City Council will be held on:

Date: Thursday 2 April 2020

Time: 10am

Venue: Members will attend the meeting by audio link.
The meeting is open to the public through access to the live broadcasting of the meeting, and a recording of the meeting will be available on the Council website:
<https://councillive.ccc.govt.nz/live-stream>

Membership

Chairperson	Mayor Lianne Dalziel
Deputy Chairperson	Deputy Mayor Andrew Turner
Members	Councillor Jimmy Chen
	Councillor Catherine Chu
	Councillor Melanie Coker
	Councillor Pauline Cotter
	Councillor James Daniels
	Councillor Mike Davidson
	Councillor Anne Galloway
	Councillor James Gough
	Councillor Yani Johanson
	Councillor Aaron Keown
	Councillor Sam MacDonald
	Councillor Phil Mauger
	Councillor Jake McLellan
	Councillor Tim Scandrett
	Councillor Sara Templeton

1 April 2020

Principal Advisor

Dawn Baxendale
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Tel: 941 6996

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www.ccc.govt.nz

Note: The reports contained within this agenda are for consideration and should not be construed as Council policy unless and until adopted. If you require further information relating to any reports, please contact the person named on the report.

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<http://councillive.ccc.govt.nz/live-stream>

Developing Resilience in the 21st Century

Strategic Framework



Whiria ngā whenu o ngā papa,
honoa ki te maurua tāuikiuki

Bind together the strands of each mat and join
together with the seams of respect and reciprocity

Ōtautahi-Christchurch is a city of opportunity for all

Open to new ideas, new people and new ways of doing things – a city where anything is possible

Principles

Being open,
transparent and
democratically
accountable

Promoting
equity, valuing
diversity and
fostering inclusion

Taking an inter-generational approach
to sustainable development,
prioritising the social, economic
and cultural wellbeing of
people and communities
and the quality of the
environment, now
and into the
future

Building on the
relationship with
Te Rūnanga o Ngāi Tahu
and the Te Hononga-Council
Papatipu Rūnanga partnership,
reflecting mutual understanding
and respect

Ensuring
the diversity
and interests of
our communities
across the city and the
district are reflected in
decision-making

Actively collaborating and
co-operating with other
local, regional
and national
organisations

Community Outcomes

Resilient communities

Strong sense of community
Active participation in civic life
Safe and healthy communities
Celebration of our identity
through arts, culture, heritage,
sport and recreation
Valuing the voices of all cultures
and ages (including children)

Liveable city

Vibrant and thriving city centre
Sustainable suburban and
rural centres
A well connected and accessible
city promoting active and
public transport
Sufficient supply of, and
access to, a range of housing
21st century garden city
we are proud to live in

Healthy environment

Healthy water bodies
High quality drinking water
Unique landscapes and
indigenous biodiversity are
valued and stewardship
exercised
Sustainable use of resources
and minimising waste

Prosperous economy

Great place for people, business
and investment
An inclusive, equitable economy
with broad-based prosperity
for all
A productive, adaptive and
resilient economic base
Modern and robust city
infrastructure and community
facilities

Strategic Priorities

Enabling active
and connected
communities
to own their future

Meeting the challenge
of climate change
through every means
available

Ensuring a high quality
drinking water supply
that is safe and
sustainable

Accelerating the
momentum
the city needs

Ensuring rates are
affordable and
sustainable

Ensuring we get core business done while delivering on our Strategic Priorities and achieving our Community Outcomes

Engagement with
the community and
partners

Strategies, Plans and
Partnerships

Long Term Plan
and Annual Plan

Our service delivery
approach

Monitoring and
reporting on our
progress

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Karakia Timatanga

1. Apologies / Ngā Whakapāha

At the close of the agenda no apologies had been received.

2. Declarations of Interest / Ngā Whakapuaki Aronga

Members are reminded of the need to be vigilant and to stand aside from decision making when a conflict arises between their role as an elected representative and any private or other external interest they might have.

3. Verbal update by the COVID-19 Incident Management Team Lead

Reference / Te Tohutoro: 20/337113

Report of / Te Pou Matua: Mary Richardson, COVID-19 Incident Management Team Lead,
mary.richardson@ccc.govt.nz

General Manager / Pouwhakarae: Dawn Baxendale, Chief Executive, dawn.baxendale@ccc.govt.nz

1. Verbal Update

- 1.1 Mary Richardson, COVID-19 Incident Management Team Lead will give a verbal update to the Council.

2. Officer Recommendations / Ngā Tūtohu

That the Council:

1. Receive the verbal update from the COVID-19 Incident Management Team Lead.

Confirmation of Statutory Compliance / Te Whakatūtutanga ā-Ture

Compliance with Statutory Decision-making Requirements (ss 76 - 81 Local Government Act 2002).

(a) This report contains:

- (i) sufficient information about all reasonably practicable options identified and assessed in terms of their advantages and disadvantages; and
- (ii) adequate consideration of the views and preferences of affected and interested persons bearing in mind any proposed or previous community engagement.

(b) The information reflects the level of significance of the matters covered by the report, as determined in accordance with the Council's significance and engagement policy.

Signatories / Ngā Kaiwaitohu

Author	Mary Richardson - General Manager Citizens & Community
Approved By	Mary Richardson - General Manager Citizens & Community

4. Mayor's Report - COVID-19 March 2020

Reference / Te Tohutoro: 20/340466

Report of / Te Pou
Matua:

Lianne Dalziel, Mayor, mayor@ccc.govt.nz

General Manager /
Pouwhakarae:

Dawn Baxendale, Chief Executive, dawn.baxendale@ccc.govt.nz

1. Purpose

- 1.1 This report seeks to adopt a schedule of Council meetings for the months of April, May and June 2020.
- 1.2 To receive the report and recommendations from the Mayor.

2. Officer Recommendations / Ngā Tūtohu

That the Council:

1. To adopt a schedule of Council meetings for the months of April, May and June 2020 as follows:

Thursday 9 April (Extraordinary meeting)
Thursday 23 April
Thursday 14 May
Thursday 28 May
Thursday 11 June
Thursday 25 June

It is intended members will attend the meetings by audio or audiovisual link.

2. Receive the Mayor's Report.
3. Note the emergency management recovery plan and lessons learned from our earthquake experience, which mean recovery planning should commence immediately, building on our existing strengths (relationships and strategic frameworks) and engaging fully with all our diverse communities.
4. Note that work has commenced on the Christchurch Economic Recovery Package in partnership with ChristchurchNZ, and that we will be submitting projects in response to the government's call for infrastructure projects to enable the country to get to work as soon as possible after the lockdown.
5. Note the impact that Council decisions made at this time will have on our medium to long-term recovery and that these need to be factored into our Annual and Long-Term Plan processes.
6. Agree to review our Strategic Directions, together with the Letters of Expectations issued to the Chief Executive and the External Advisory Group, in order to ensure they are fit for purpose for the recovery as well as meeting our aspirational goals for the city.
7. Note the features of the Greater Christchurch Partnership: Longstanding broad partnership (local government, central government & iwi); a strong foundation strategy; partnership through adversity; leading in wellbeing thinking.

8. Agree to request the Greater Christchurch Partnership urgently reassess the work that has been done on the Greater Christchurch Strategic Framework (Greater Christchurch 2050), to ensure that it is also fit for purpose as our collective post COVID-19 recovery plan for Greater Christchurch.

Attachments / Ngā Tāpirihanga

No.	Title	Page
A ↓	Mayor's Report - COVID-19 March 2020	9

In addition to the attached documents, the following background information is available:

Document Name	Location / File Link
Not applicable	

Confirmation of Statutory Compliance / Te Whakatūturutanga ā-Ture

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(b) The information reflects the level of significance of the matters covered by the report, as determined in accordance with the Council's significance and engagement policy.

Signatories / Ngā Kaiwaitohu

Author	Ruth Close - Team Leader Business Support/Executive Assistant to Mayor
Approved By	Dawn Baxendale - Chief Executive

Mayors Report

Introduction

March has seen our world turned upside down in a way that many of us did not expect to see in our lifetime.

To say that no one could have predicted this, however, would be to understate our collective capacity to plan and prepare for the range of risks we are exposed to. On the Hazard Priority Plan for Canterbury, Human Disease Pandemic was ranked third after Earthquake and Tsunami.

We have a declared State of National Emergency in place and are very much in the response phase of what is a major global crisis.

That being said, we have a regional emergency management plan in place, and it offers guidance in terms of reduction, readiness, response and recovery.

This plan, which is reinforced by our earthquake experience, tells us that we must begin the process of recovery planning immediately. We cannot wait until the crisis is over.

The plan tells us that recovery must:

- support the cultural, emotional and physical well-being of individuals and communities
- minimise the escalation of the consequences of the emergency
- take opportunities to regenerate and enhance communities in ways that will meet future needs (across the social, economic, natural and built environments)
- reduce future exposure to hazards and their associated risks

In addition to the regional Civil Defence and Emergency Management group, the Canterbury Mayoral Forum also brings the region together, and this is a strength of our region.

We also have real strength in the Greater Christchurch Partnership, (GCP), which brings to the table representatives of Christchurch City Council, Selwyn and Waimakariri District Council, Environment Canterbury (ECan), Te Rūnanga O Ngāi Tahu, Canterbury District Health Board (CDHB), NZ Transport Agency (NZTA), Department of Prime Minister & Cabinet (DPMC) and Regenerate Christchurch. The work the GCP is doing offers a firm foundation for a collaborative approach to recovery planning.

At the same time, it is vital the council contributes to the response, while maintaining the essential services our city relies on to continue to operate.

There are immediate decisions we are being asked to make to support our residents and businesses get through this period of uncertainty. It is important to remember two things.

First, the government has shouldered the lion's share of the immediate cost of support for business and workers who are experiencing significant hardship.

Second, but most importantly, we need to remember that every decision we make now will impact on our recovery. There can be no silo thinking. And we must be ready to release as much work as possible when the lockdown ends, as our economic recovery depends on us to do so.

We are working with ChristchurchNZ our Economic Development Agency as we urgently bring our networks together to develop the Christchurch Economic Recovery Plan.

We will also be contributing projects to the government's call for projects, both locally and regionally. However, we need to be ready to kickstart our local economy as soon as we can.

The purpose of this paper is to ensure that Council establishes recovery and implementation planning immediately, building on our strengths, engaging our communities and setting Greater Christchurch and our region on a firm foundation to rebuild the economic and social fabric of our communities. This means we need to agree to review and adjust our strategic frameworks in the light of the COVID-19 crisis to ensure they are fit for purpose to facilitate recovery.

Recommendations

1. Receive the Mayor's Report.
2. Note the emergency management recovery plan and lessons learned from our earthquake experience, which mean recovery planning should commence immediately, building on our existing strengths (relationships and strategic frameworks) and engaging fully with all our diverse communities.
3. Note that work has commenced on the Christchurch Economic Recovery Plan in partnership with ChristchurchNZ, and that we will be submitting projects in response to the government's call for infrastructure projects to enable the country to get to work as soon as possible after the lockdown.
4. Note the impact that Council decisions made at this time will have on our medium to long-term recovery and that these need to be factored into our Annual and Long-Term Plan processes.
5. Agree to review our Strategic Directions, together with the Letters of Expectations issued to the Chief Executive and the External Advisory Group, in order to ensure they are fit for purpose for the recovery as well as meeting our aspirational goals for the city.
6. Note the features of the Greater Christchurch Partnership: Longstanding broad partnership (local government, central government & iwi); a strong foundation strategy; partnership through adversity; leading in wellbeing thinking.
7. Agree to request the Greater Christchurch Partnership urgently reassess the work that has been done on the Greater Christchurch Strategic Framework (Greater Christchurch 2050), to ensure that it is also fit for purpose as our collective post COVID-19 recovery plan for Greater Christchurch.

1. Background

Just a quick recap on the structure of New Zealand's emergency management system. The National Emergency Management Agency (NEMA) was formally established in November last year to take over from the Ministry of Civil Defence and Emergency Management (MCDEM).

The regional Group structure (which involves a Group Controller, Recovery Manager and a representative of each Council, including the Regional Council, in the region) that sits under NEMA remains unchanged, and each has a regional plan in place. The regional plans are intended to provide information for the organisations involved in emergency management, and for the general public, on how each region's Group will plan for and coordinate an emergency.

I chair the Canterbury Civil Defence and Emergency Management (CDEM) Group, and the Canterbury CDEM Group Plan was adopted in June 2014, and amended June 2018 to incorporate Strategic Planning for Recovery. A copy is available here:

<http://cdemcanterbury.govt.nz/media/37550/canterbury-cdem-group-plan-updated-june-2018.pdf>

2. Immediate Response

We need to be able to hit the ground running as soon as the lockdown is over. This means we need to take full advantage of the government's call for projects, at the same time as getting our own pipeline of work ready to go.

The Government has tasked a group of industry leaders to seek out infrastructure projects that are ready to start as soon as the construction industry returns to normal to reduce the economic impact of the COVID-19 pandemic. The Infrastructure Industry Reference Group, headed by Crown Infrastructure Partners chairman Mark Binns, has been asked to put forward to Ministers projects from the private and public sector that are 'shovel-ready' or likely to be within six months.

The types of projects the Government would consider funding include water, transport, clean energy and buildings. They would also have a public or regional benefit, create jobs and be able to get underway in short order.

Details here: <https://www.crowninfrastructure.govt.nz/iirg/>.

Christchurch City Council and the Canterbury region are fully participating in this process.

In addition, we need to ensure that we can get our own pipeline of work ready to go as well. This is why the organisation is focused on our capital programme to be in a position to bring forward appropriate projects for our consideration.

Christchurch Economic Recovery Plan

We are working with ChristchurchNZ to prepare a Christchurch Economic Recovery Package to mitigate the economic and social fallout of the Covid-19 pandemic.

This package is still being developed and to support this we will be hosting a Christchurch Economic Recovery Forum – taking input from both the private and public sector – to best inform our response.

The Recovery Package will fall into four broad areas:

Business Support Package – This work will primarily be carried out in the short-term to support businesses suffering from the immediate economic fallout of COVID-19.

These measures include initiatives such as:

- The immediate rates mitigation package for businesses and individuals impacted by COVID-19 we are considering today.
- Businesses advisors, mentors and workshops available to provide immediate support for businesses.
- Research is being undertaken to assess the impact of COVID-19 on local businesses and what their needs are to inform the best response.
- ChristchurchNZ is considering what further measures are needed to support businesses in the short-term.

Infrastructure-led Recovery Programme – This work will primarily focus on identifying and prioritising infrastructure projects to support the economic recovery.

These measures include initiatives such as:

- Working with central government to accelerate or unlock “shovel ready” infrastructure projects that will create jobs and provide the platform for future industry and jobs growth.
- Working with central government to progress other infrastructure projects which can be progressed to “shovel ready” stage.

Strategic Economic Development Programme – This work will ensure all recovery activity is aligned to an agreed long-term vision, and positions Christchurch to enter the recovery phase with confidence and in partnership with Central Government.

These measures include initiatives such as:

- Refocus of ChristchurchNZ work programme focused on rebounding the economy and creating jobs.
- Close monitoring of the Labour market and to ensure local education and training is aligned to the economy’s needs.

Community and Visitor Economy Activation Programme – This work will focus on stimulating economic growth when it is safe to do so.

These measures include initiatives such as:

- Stimulate resident engagement and boost economic activity for central city businesses
- Stimulate demand for tourism through domestic marketing.
- Ongoing work on attracting Major Events and Business Events to the city.

This programme will be rolled out over three phases, which are outlined below. Please note all work is currently underway.

Phase 1: The immediate response

This is work that will be carried out to keep parts of the economy functioning during Pandemic Level 4, and the period immediately following.

Phase 2: The short to medium-term response

This is work that will begin as soon as New Zealand returns to Pandemic Level 3 and/or Level 2. However, it is vital we prepare now.

Phase 3: Strategic Planning for recovery aligned to long-term vision

This work will ensure all work is aligned to an agreed long-term vision of our city.

There are many details still to work through. However, we are working at pace and urgency to respond to this global economic shock and to ensure our city is actively working towards recovery in a sustained, coordinated and confident way.

3. Recovery

The New Zealand integrated approach to emergency management can be described by the four areas of activity, known as the '4 Rs': Reduction, readiness, response and recovery.

The principles of recovery are as follows:

- *Recovery requires effective and ongoing communication and engagement with communities, which recognises their diverse needs*
- *Pre-event strategic planning for recovery is a critical component of a successful recovery operation*
- *Response and recovery activities must be integrated and aligned*
- *Recovery planning for emergencies needs to start as soon as possible after the response is underway and continues until the recovery objectives have been met*
- *Effective recovery recognises, supports and builds on individual, community, and organisational knowledge, understanding, capacity and capability*
- *Recovery involves collaboration with local Iwi to build resilience and ensure the protection for wāhi tapu (sacred area), ngā taonga tuku iho (treasures of the ancestors) and kaitiakitanga (guardianship) of the environment in the recovery phase*
- *Recovery is a collective effort and requires joint collaborative planning between the community, local and central government, the commercial and not-for-profit sectors*
- *Opportunities to reduce the risks and consequences of future events should be taken following an emergency. These principles apply to all of the recovery environments — social, economic, built and natural.*

Priorities in the recovery phase are:

- **Safety and well-being of individuals** - People's psychological, emotional and physical health and well-being in the months and years after the event
- **Social environment recovery** — Restoration and enhancement of the community's material and social needs, including housing and education, together with social and cultural capital, community space, community well-being and resilience.
- **Economic environment recovery** — Macro- and micro-economic policies to support economic viability as well as providing guidance and support to business owners and their staff.
- **Natural environment recovery** — Restoration and enhancement of the natural environment, including strategies to remove or reduce the risk of future damage.
- **Built environment recovery** — Repair of critical infrastructure, buildings (including historic buildings), road access and lifeline utilities.
- **Recovery of people working in the recovery** — Responding agencies should put in place mechanisms to ensure that the mental health of their response/recovery staff is looked after.
- **Linking recovery to risk reduction**— Recovery must be based on long-term strategies adopting mitigation measures that prevent or reduce the likelihood and consequences of future emergencies.

4. Lessons Learned

As we learned after the Canterbury Earthquake Sequence, it is vital to commence recovery planning in parallel to the response effort. The fact that this Council did not see this as a priority after the September 2010 earthquake, diminished confidence in our capacity to lead the city's recovery after the devastating February 2011 earthquake. We have an opportunity to demonstrate that we have learned the lessons of our experience, and to move to establish the recovery planning framework immediately.

We need to consider recovery planning in the context of our existing relationships and strategic frameworks rather than start afresh, as occurred in 2011.

The most important message we can give at this time is that we are so much better prepared than we have ever been in the past. We have learned lessons from our experiences, and we will learn from this as well. This is an unprecedented environment for us all, and it is impacting the whole country, however we have relevant experience to draw upon. We can step up and provide leadership to the country, hand in glove with our closest neighbours and strategic partners.

The phrase 'we are in this together' must apply equally to the recovery as it does to the response, and it must engage the wider community. We know this from our earthquake recovery experience. Leaving communities outside the recovery planning process not only causes discontent, it leaves out the richest source of knowledge we have – our own communities.

The Canterbury Community Recovery Network (CanCERN) was the community-led response to an inability to engage the decision-makers and to participate in the decisions that would have long term impacts on their communities. Their motto was: the wisdom of the community always exceeds the knowledge of the experts. I have reflected on this in light of the sense of frustration that lay behind it. My view is that ‘the wisdom of the community when combined with the knowledge of the experts, always exceeds what one can offer without the other’.

This means we need to urgently reach out to resident associations, interest groups (business, NGOs, service clubs, sports clubs) and diverse communities (whether based on age, ethnicity, gender, faith) to offer our support to enable them to engage their own networks so they can provide input into the recovery. We also need to connect them to the experts that can help with understanding the process of recovery. I have provided a link to the initial advice from the Prime Minister’s Chief Science Adviser, Sir Peter Gluckman, after the February 2011 earthquake - <https://www.pmcsa.org.nz/wp-content/uploads/Christchurch-Earthquake-Briefing-Psychosocial-Effects-10May11.pdf>.

It is also vital that we engage our local Members of Parliament in this approach. They have been elected to represent their communities in Parliament, as electorate and list MPs, and we need to bring them into the recovery process from the outset.

I see Councillors and the Community Boards offering real leadership at this time.

As we learned after the earthquakes and as has been repeated many times: this is not a sprint, it is a marathon. We cannot afford to allow anyone to run out of energy – we all need to pace ourselves – and the big advantage for us is that we have been here before.

5. Strategic Frameworks and Partnerships for Recovery

The existing strategic frameworks and relationships that I wish to highlight today are our Strategic Framework and the second is the work being undertaken by the Greater Christchurch Partnership.

Strategic Framework “Building Resilience in the 21st Century”

<https://ccc.govt.nz/assets/Documents/The-Council/How-the-Council-works/StrategicFramework/2020-Strategic-Framework.pdf>

Whiria ngā whenu o ngā papa, honoa ki te maurua tāukiuki Bind together the strands of each mat and join together with the seams of respect and reciprocity

The principles that this framework is built on are:

- Being open, transparent and democratically accountable
- Promoting equity, valuing diversity and fostering inclusion
- Taking an inter-generational approach to sustainable development, prioritising the social, economic and cultural wellbeing of people and communities and the quality of the environment, now and into the future
- Building on the relationship with Te Rūnanga o Ngāi Tahu and the Te Hononga–Council Papatipu Rūnanga partnership, reflecting mutual understanding and respect

- Actively collaborating and co-operating with other local, regional and national organisations
- Ensuring the diversity and interests of our communities across the city and the district are reflected in decision-making

These principles are ideal to frame a recovery planning approach in the wake of what has occurred, which will help achieve the community outcomes: resilient communities, healthy environment, prosperous economy and liveable city.

The strategic directions will need to be reviewed in light of the COVID-19 crisis to ensure that we can meet the challenges of the recovery and take advantage of any opportunities that arise:

- *Enabling active and connected communities to own their future*
- *Meeting the challenge of climate change through every means available*
- *Ensuring a high-quality drinking water supply that is safe and sustainable*
- *Accelerating the momentum the city needs*
- *Ensuring rates are affordable and sustainable*

I am recommending that we recommit to the principles and prioritise an urgent review of the strategic directions in the light of having to engage our thinking on the annual plan, long-term plan and the impacts on the medium to long-term recovery of the city.

At the same time, we will need to review the Letters of Expectation that we have given the Chief Executive and the External Advisory Group with respect to the LTP. Although it is worth noting that our approach has been reinforced by what has happened: *“risk and resilience must be the drivers of the LTP. Everything we do needs to be measured in this context”*.

Recommendation: Agree to review our Strategic Directions, together with the Letters of Expectations issued to the Chief Executive and the External Advisory Group, in order to ensure they are fit for purpose for the recovery as well as meeting our aspirational goals for the city.

6. Greater Christchurch Partnership (GCP)

Details here <https://greaterchristchurch.org.nz/>

The second area of focus is to turn to the GCP to lead a collective approach to recovery planning. The GCP is a major strength because of its make-up and purpose:

- it is a longstanding broad partnership bringing local/regional government to the table with central government and iwi
- it has a strong foundation strategy, the Greater Christchurch Urban Development Strategy (UDS)
- we have the experience of partnering through adversity and
- we are leading the way in terms of wellbeing thinking.

Rather than going through all of the details of the GCP and the UDS, it is my view that work that is currently being progressed by the GCP, the Greater Christchurch Strategic Framework

2050 (Greater Christchurch 2050), which you have been briefed on by ChristchurchNZ, provides the ideal basis for recovery planning that enables us to strengthen the position of Greater Christchurch and the region into the future. I have attached a reference to the other strategic work the GCP has completed or is working on, which reinforce why the GCP is the right approach to adopt.

Greater Christchurch 2050

This project was originally designed to position Greater Christchurch within New Zealand and internationally, and 'reset' the dial on perceptions of Greater Christchurch's urban area. One strong, clear voice, articulated through this project, was to enable confident engagement with central government and the private sector.

This was designed to lead to greater benefits through

- better resourcing processes
- ease of doing business
- coherent prioritisation
- clear decision-making paths

Greater Christchurch 2050 has been all about articulating an aspirational future for our urban area and then working together to achieve it. It is not limited to considering spatial planning or infrastructure, or just the tools within local government's mandates, but rather will consider how local government partners can work with central government, other local entities, the private sector and local communities to achieve Greater Christchurch's potential.

Turning Greater Christchurch 2050 into our post COVID-19 recovery plan

The purpose of Greater Christchurch 2050 is to achieve:

- A clear and agreed aspiration and positioning of Greater Christchurch
- Drive and focus partnership investment and commitment to deliver shared outcomes
- Partnership and investment agreement between local and central government
- Private sector confidence and investment

A quick assessment with a recovery lens would see the community brought to the fore to enable social recovery, along the lines of:

- *Harnessing the capacity of communities to fully engage in the recovery, to continue to build resilience to future shocks and stresses*

The first phase of the work commenced in December 2019. This is an important foundation for the project as we are taking an evidenced based approach to delivering:

- a) A Current State Assessment of Greater Christchurch
- b) Opportunities & challenges identified through the Current State Assessment
- c) Areas of focus that respond to these opportunities and challenges
- d) Phase 2 scope, including the strategic framework mechanism/tools and engagement approach

We have held a GCP workshop, which has identified our collective strengths, weaknesses and opportunities. These now need to be revisited in the light of the crisis we are confronting. And we need to both authorise this work as members of the GCP and to ramp up the work on Greater Christchurch 2050 as the basis for our collective recovery plan.

The most urgent work is reviewing the Current State Assessment of Greater Christchurch in light of the COVID-19 crisis, and to distribute to all members of the GCP as soon as possible for feedback.

Recommendation: Agree to request the Greater Christchurch Partnership urgently reassess the work that has been done on the Greater Christchurch Strategic Framework (Greater Christchurch 2050), to ensure that it is also fit for purpose as our collective post COVID-19 recovery plan for Greater Christchurch.

Appendix

Other strategic work of GCP

The GCP has developed two other strategic plans, and has additional work in progress, which present real opportunities to fast-track initiatives that are ready to go:

*The **Resilient Greater Christchurch Plan (2016)** enables leaders to work together to empower our communities to face the future with confidence. Resilience involves understanding the challenges we face and developing ways to adapt and co-create a new normal. The strength of our resilience lies in us, as individuals, and as communities and whānau.*

*The **Greater Christchurch Transport Statement 2012 (GCTS)** is a framework for integrated transport planning and network development. The GCTS focuses on the strategic links between key places within the Greater Christchurch area, with the partners committed to working together to build resilience, efficiency and reliability into the transport network, at the same time ensuring the community is provided with sustainable transport choices. The Christchurch International Airport, the Lyttelton Port of Christchurch, KiwiRail and Ministry of Transport are all signatories to the GCTS along with the members of the Partnership.*

Work in Progress

Roadmap 2020-2021

The Roadmap outlines local (territorial authority or Greater Christchurch), regional (Canterbury-wide) and national activity. Statutory timeframes are normally known sooner and with more certainty and so at this stage the Roadmap appears dominated by such processes. The Roadmap will therefore need to be a living document, with periodic updates including new initiatives or revised timelines. It is provided to assist an understanding of upcoming activities and milestones that have interdependencies for decision-making.

2021 Mode Shift Plan for Greater Christchurch

The Mode Shift Plan will support the case for further transport investment in Greater Christchurch by combining the travel demand elements of current transport work such as the Public Transport Futures business case; implementation of cycling and walking initiatives (Major Cycleways and An Accessible City). It will help inform the next Regional Land Transport Plan and support better integrating transport planning and urban form.

5. Council Funding and Financial Relief Package

Reference / Te Tohutoro: 20/335872

Report of / Te Pou Matua:	Diane Brandish, Head of Financial Management, diane.brandish@ccc.govt.nz
General Manager / Pouwhakarae:	Carol Bellette, General Manager Finance & Commercial CFO, carol.belette@ccc.govt.nz

1. Brief Summary

- 1.1 This report is intended as an initial Council response to financial hardship arising from the COVID-19 pandemic. Further policy responses may be required from the Council in the future as more detailed information on the impacts of COVID-19 emerges.
- 1.2 The Government has provided a significant injection to salaries and wages to enable essential household bills to be paid. Despite this, it is likely there will be a need to provide financial relief and/or flexibility to some households and businesses in our community.
- 1.3 The Council must continue to deliver essential city services and it is important that Council revenue is maintained to the extent possible to enable us to do that. Beyond this, the Council must be in a position to drive recovery and have the resources to do that.
- 1.4 Rates defaults will make our recovery slower, painful and more expensive. Our next rates invoice will be mailed on the week commencing 6th April. This report addresses the more acute rates issues likely to arise over that time and looks to provide mechanisms by which we can support our community where we reasonably can.
- 1.5 The purpose of this report is to enable the Council to consider and approve a range of financial measures regarding:
 - 1.5.1 Council revenue and financing options in the short to medium term
 - 1.5.2 Options to provide short term financial relief for ratepayers unable to meet their rates payment obligations
 - 1.5.3 Options to provide financial relief for residential, community and business tenants of the Council.
- 1.6 We are in a period of extreme change and uncertainty and prudence and caution is required. The Council needs to carefully balance competing calls on funding and resources to best provide for our community in these extraordinary times.

Officer Recommendations / Ngā Tūtohu

That the Council:

1. Agrees it will have particular regard to the impact of the COVID-19 lockdown on the ability of some ratepayers to pay instalment 4 of 2019-20 rates.
2. Will consider remitting late payment penalties in respect of instalment 4 under the Council's Rates Remission Policy (Remission category 8), on application by a ratepayer for relief on the grounds of financial hardship directly attributable to the COVID-19 lockdown and where the full payment of instalment 4 is received within six months of the due date.

3. Will consider, under the Council's Rates Remission Policy (Remission category 8), remitting the 10 % rates surcharge (penalty) imposed in 2020 on any rates outstanding as at 30 June 2019, which remain unpaid at 31 March 2020, on application by a ratepayer for relief on the grounds of financial hardship directly attributable to the COVID-19 lockdown.
4. Agrees the financial hardship criteria are initially to be aligned where possible with Government criteria, which include:
 - a) Businesses that have suffered a 30% drop in income year on year as a result of the COVID-19 lockdown; and
 - b) Residential properties, where as a result of the COVID-19 lockdown the owners have lost their jobs or have received the Government subsidised wage of 80% of their normal income for at least one month before the rates due date and have received no other income.
5. Requests staff to report back to the Council with any further information or adjustments in relation to the financial hardship criteria
6. Agrees that the Council's trade debtors who have been impacted by the shutdown be dealt with on a case by case basis.
7. Agrees to provide the following Council tenants with a relief package as set out below in recommendation 8:
 - a) Hospitality – cafes, restaurants, stall sites, food trucks and outdoor dining / tables and chairs.
 - b) Childcare facilities (excluding those grant funded by Council)
 - c) Commercial/community, including but not limited to the following: the Tram and Gondola, mini golf, camping grounds, Vbase Town Hall ground hire, Adrenalin forest park, boat hire Groynes, and Naval Point marina.
 - d) Sports clubs (many of whom rely on commercial activities for fund raising)
 - e) Allow applications by other tenants that may be similarly affected to be considered and resolved on a case by case basis.
8. Adopt the following relief package:
 - i. Defer chasing current debt owing by commercial tenants until 1 May 2020, following which normal business practices shall be adopted.
 - ii. Provide a rent holiday of up to three months effective 1 March 2020. For the sake of clarity, this is a waiver of rent for that period for which repayment will not be required at a future date. The period after that to be monitored, and a new strategy either introduced or managed on a case-by-case basis.
 - iii. Suspend the lease where the business' operation is halted through compulsion by a government initiative. In this eventuality the suspended term will added to the end of the lease.
 - iv. Provide flexibility around levels of service and opening hours to allow the tenants to adapt to the changing market and environment without a concern of being in breach of the lease.
9. Provides the Property Consultancy Manager with delegated authority to manage the recommendations included in 8 above and make all decisions necessary to implement them.

2. Summary of financial position

- 2.1 We are in a period of extreme change and uncertainty and prudence and caution is required.
- 2.2 The Council's financial situation is currently stable with access to borrow funds. However we are heavily reliant on revenue from rates, fees and charges and CCHL dividends to provide critical services to our communities.
- 2.3 CCHL have signalled there is a risk that their future dividend forecasts (including the final payment of their 2020 dividend being \$26m due in June 2020) may need to be reduced. Of CCHL's eight subsidiaries, the majority of the dividends are generated by Christchurch Airport and Orion. Christchurch Airport has been significantly impacted by COVID-19.
- 2.4 Assumptions and estimated financial loss to date:
- \$6m COVID-19 impact due to the four week lockdown.
 - Full year financial forecast currently \$5.2m loss (1% rates impact) (includes Covid-19 impact but excludes any CCHL dividend drop and any rates relief)
 - Major contributors:
 - Lost revenue of \$9.4m overall for Council
 - Citizens & Community Group \$4.1m (mostly Rec & Sport \$3.2m)
 - Lower parking / enforcement revenues \$2.1m
 - Lower building inspection and consenting revenue \$1.9m
 - Facilities 3 month rental holiday to tenants \$0.7m
 - Partly offset by reduced maintenance & operating expenditure \$3.4m
- 2.5 Key underlying assumptions:
- Citizens & Community Group - Community facilities including libraries, art galleries and sports & recreation centres remain shut until 30 June.
 - City Services Group - 1 month at 50% operational post lockdown before being back to being fully operational.
 - Consenting & Compliance Group - immediate return to normal activity levels post lockdown.
 - No capital programme delivery in April and 50% delivery in May
 - Commitment to pay all staff for the four week lockdown period
 - Capex delivery is expected to be \$50m lower this financial year, partly offset by lower capital revenues of \$6m. Most unspent capital expenditure will need to be carried forward to the next financial year to enable project completion.
- 2.6 Key financial risks
- Reduced CCHL dividends
 - Cost of any significant rates remission or deferral
 - Increased cost of borrowings and access to funds
 - Extended lock down period

- Prolonged recovery period
- Not all businesses will survive
- Delay in citizen and business confidence to return to the 'new normal'

2.7 Impact of an extended lockdown period ('High level indicative' estimate of financial impact for year ending 30 June 2020 only)

- 1 month \$5.7m* (1.1% rates impact) impact is slightly lower than the original \$6m forecast as facilities would open after 1 month, not the 3 originally forecast, but with reopening revenue ramping up over 3 months
- 2 months \$6.7m (1.3% rates impact) (excludes impact from 1 July onwards)
- 3 months \$6.9m (1.3% rates impact) (excludes impact from 1 July onwards)

Note: All the above figures are for 2019/20 financial year only and exclude any CCHL dividend change, rates relief or other key financial risks.

2.8 'High level indicative' estimate of financial impact for year ending 30 June 2020 on a worst case scenario;

- \$6.9m - 3 month lockdown (excludes impact from 1 July onwards)
- \$26.3m CCHL dividend not received
- \$2.25m rates relief
- \$35.15m total impact
- 6.75% additional rates increase in 2020/21 to cover the total impact and deliver critical services

Note: all the above figures are for 2019/20 financial year only and exclude other key financial risks. Further scenario modelling will be undertaken and forecasts will continue to be revised as the situation evolves.

3. Rates

Background

- 3.1 Rates instalment 4 is due on 15 May, 31 May or 15 June depending on where the property is located. Revenue from instalment 4 is \$147m excluding GST (including \$17m in ECan rates). The GST inclusive revenue is \$169m including the ECan portion.
- 3.2 Notices are due to be sent by 13th April to comply with legislation, with payment due 15 May, 31 May or 15 June depending on area.
- 3.3 The Council is required to pay \$19.5m GST to IRD one month after the rates notices are posted.
- 3.4 Some ratepayers, both residential and commercial, will be facing financial pressures as a result of the Covid-19 Level 4 Lockdown. A requirement to pay rates instalment 4 on time will exacerbate the financial pressures facing many ratepayers.

Local Government New Zealand (LGNZ) advice regarding rates relief

- 3.5 LGNZ and the Society of Local Government Managers (SOLGM) are working through legal advice on the following issues and expect to provide further advice next week:
 - late adoption of the Annual Plan (after 30 June);
 - changes in rates from what was (or was not) consulted on; and

- balanced budget requirements and ‘financial prudence’.
- 3.6 LGNZ has provided the following advice at this point:
- 3.6.1 They are aware of the pressure to immediately respond with a zero rates increase. However, councils are urged to carefully consider any major financial decisions to avoid situations that could hinder response and future recovery efforts.
 - 3.6.2 Central government is investing heavily to reduce the financial impact on individuals and businesses, which gives councils some room to carefully consider their actions.
 - 3.6.3 There is time for Councils to work this through, we are in uncertain times and still have three months until the end of the financial year.
 - 3.6.4 It is important that Councils are thinking about the need to support local economic activity with recognising the financial stress and uncertainty that ratepayers are facing along with the need to invest in the essential infrastructure and services needed for health and safety in both the short and long term.
 - 3.6.5 Not all Councils will be impacted the same and we would expect Councils to be considering all available tools, including rates remission (including waiver of penalties) or postponement.

What other councils are doing

- 3.7 Auckland, Christchurch, Wellington, Dunedin, Hamilton & Tauranga CFO group teleconferenced on Monday to discuss rates and debt management.
- 3.8 Hamilton City Council have extended rates rebate of up to \$549 to those who have lost their jobs and have no savings. Hamilton’s total phase one relief package comprising 8 components is estimated to cost \$3.4m including emergency response, community welfare, rates and development contributions relief.
- 3.9 Tauranga are evaluating Hamilton’s approach and note that any relief provided to businesses or citizens needs to be rates funded.
- 3.10 Auckland are adopting a cautious approach and fully evaluating financial implications and potential scenarios before recommending rates or other relief. Wellington and Dunedin are similarly adopting a cautious approach.
- 3.11 We agreed to adopt consistent scenarios across major Councils.
- 3.12 We continue to work closely with other Councils and to develop a consistent approach where possible.

Rates relief - legal mechanisms considered:

Rates Postponement Policy

- 3.13 The Council’s existing Rates Postponement Policy is focused on longer term postponements for elderly ratepayers and involves registering a charge over the property as security for the postponed rates. This policy does not apply to businesses.
- 3.14 An amendment to this policy requires consultation. It requires Council agreement as Council is not able to delegate this decision (since it is one of the matters listed in clause 32 of Schedule 7 of the Local Government Act 2002).
- 3.15 The Rates Postponement Policy is not recommended as the key approach to deal with COVID-19

Rates remission policy

- 3.16 The Council's Rates Remission Policy includes "Remission 8: Other remissions deemed fair and equitable". The objective of Remission 8" is to recognise that the Council's policies for rates remission cannot contemplate all possible situations where it may be appropriate to remit rates.
- 3.17 The conditions and criteria of the Policy provide that, "The Council may, by specific resolution, remit any rate or rates penalty when it considers it fair and equitable to do so."
- 3.18 The Rates Remissions Policy applies to all ratepayers including businesses.
- 3.19 Staff recommend that any rates relief provided be done so under this Remission 8. The amount recommended to be remitted would be the late payment penalties for rates instalment 4 only. This enables the payment to be actioned under existing Council policies.
- 3.20 This approach provides time for more legally robust arrangements to be introduced (e.g. a new due dates, with late payment penalties applying if rates are unpaid at that date)
- 3.21 Staff have considered whether the Council could also defer the 10 % rates surcharge (penalty) normally imposed in April 2020 on any rates outstanding as at 30 June 2019 (including the October 2019 surcharge), which remain unpaid at 31 March 2020. However, legal advice is that there is currently no ability in the Local Government (Rating) Act 2002 to defer the imposition of this surcharge/penalty. However, it is of course open to the Council to consider remitting this penalty on application from a ratepayer, and staff have recommended this approach.

4. Council tenancies

- 4.1 The Council has approximately 1600 tenants who occupy a variety of land and buildings. Some will be significantly impacted by the economic effects of the pandemic and Council staff have received evidence of that.
- 4.2 An assessment of tenants undertaken by the Property Consultancy team has found approximately 390 commercial tenants who are considered vulnerable to the current circumstances.
- 4.3 It is recommended that a proactive approach to relief is initiated, based on the principles of supporting tenants to remain financially viable and assist recovery. In particular, it is recommended that tenants in the categories below are afforded the relief package.
- Hospitality – cafes, restaurants, stall sites, food trucks and outdoor dining / tables and chairs.
 - Childcare facilities (excluding those grant funded by Council)
 - Commercial / community; and
 - Sports clubs (many of whom rely on commercial activities for fund raising).
 - Other tenants by application on a case by case basis.
- 4.4 Excluded are the likes of cell sites, structures on streets, grazing licences, transmitters etc.
- 4.5 Recommended tenant relief package:
- 4.5.1 Defer chasing current debt (\$350,143 (including GST)) for a minimum two months i.e. business as usual to recommence 1 May 2020.
- 4.5.2 Provide a rent holiday for up to three months effective 1 March 2020, for which repayment at a future date will **not** be required. The rent holiday will have an impact of approximately \$750,000 revenue if all apply for the full 3 month period.

4.5.3 Lease suspension during closure, with the suspended term added to the end of the lease

4.5.4 Relaxed lease terms and conditions to allow flexibility in the event of a changed recovery landscape e.g. changes to operating hours / levels of service.

5. Options considered - rates

Option 1 – Rates extension of payment dates / remission of late payment penalties (staff recommendation)

- 5.1 Extend the rates instalment 4 due date for all areas by up to six months for all eligible ratepayers.
- 5.2 It is proposed that rates relief be available to both households and businesses by application. The qualification criteria for those in business would be a minimum 30 per cent decline in actual or predicted revenue over the period of a month when compared with the same month last year, and that decline is related to COVID-19. This aligns with one of the key criteria for the Government's wage subsidy. For individuals it would be the loss of employment or receipt of the Government subsidised 80% of normal wage or salary.
- 5.3 For businesses the application would be by way of an existing application that the ratepayer has submitted under the Government scheme. For individuals it would be through a letter from Work and Income.
- 5.4 For those who are unable to pay their rates a repayment plan could be offered as an alternative with repayment up to twelve months. If the plan is adhered to penalties would not imposed.
- 5.5 The financial implication of the extension of payment dates in rates is limited to the cost of funding the temporary delay in rates payment. Short term borrowing can currently be achieved at less than 1.5 per cent interest. If all ratepayers deferred payment on instalment 4 (\$149.5 million incl GST for Council) by 6 months, the cost in interest to the Council would be around \$1.25 million including borrowing the Council's GST obligation. However, there is no expectation that all ratepayers are eligible or will apply.
- 5.6 Staff have considered what legal mechanisms are available to achieve the rates deferral. At present the best option will be to use remission 8 of the Council's Rates Remission Policy. The remissions policy applies to all ratepayers including businesses.
- 5.7 The amount remitted would be the late payment penalties for rates instalment 4 only. This enables the payment to be actioned under existing Council policies. It provides time for more legally robust arrangements to be introduced (e.g. new due dates, with late payment penalties applying if rates are unpaid at that date). It also provides time to explore options that can be applied nationally and that may include central government participation.

Option 2 – One month rates remission

- 5.8 Similar to Option 1 except that the amount remitted would be the rates themselves (not just the late payment penalty), and the remission would be the rates for one month. This would be aimed at businesses only.
- 5.9 The financial implication of a one month remission of rates for businesses that can demonstrate a reduction in income is **estimated** at \$8.6 million (excluding GST, excluding ECan rates and based on 75 per cent of businesses applying and subsequently qualifying). This loss or revenue will flow through to year end, and, subject to whatever cost savings are in place result in a deficit.

- 5.10 The current forecast through to June, based on a four week lockdown indicates a \$5.2 million deficit, while a worst case scenario with a three month lockdown indicates a deficit of \$35.5 million.
- 5.11 This option is not recommended as it would require either borrowing to fund operational expenditure which is in conflict with the Financial Strategy or a rate increase of between 1.0% and 6.75 % in 2021 to fund the deficit.
- 5.12 Economic advice suggests that it will take up to two years to recover and it is our recommendation that these funds would be better used to stimulate the economy once the emergency shutdown is over.

Option 3 – Instalment 4 rates remission

- 5.13 Provide all households and businesses with a full remission on instalment 4 of the 2019/20 rates.
- 5.14 The financial implication of a full remission of 2019/20 instalment 4 rates is in the region of \$130 million for Council plus \$17 million for ECan if they choose to follow the Council's lead.
- 5.15 Staff are strongly opposed to this option as it would seriously undermine the Council's sustainability in both the short and long term. Council would need to borrow \$130 million to meet operational expenditure which is in conflict with its Financial Strategy and would breach Financial Covenants unless the capital programme was reduced accordingly. A further reduction in capital spending is counter to the recommendation that Council acts to stimulate the economy and is at odds with the action that other major Councils are considering.
- 5.16 In terms of legal implications, the Council would need to consider whether this would meet section 101 of the LGA 02 which requires the Council to manage its revenues, expenses, assets, liabilities, investments and general financial dealings prudently, and in a manner that promotes the current and future interest of the community.

6. Further considerations - rates

Invoice timing

- 6.1 Instalment 4 invoices can be issued up until 13 April and still comply with the relevant legislation. Delaying issuing invoices beyond the 13 April introduces other problems such as running up against instalment 1 for the 2020/21 year.

Rates surcharge

- 6.2 In April of each year, ratepayers with an outstanding balance as at 30 June of the previous year and which remains unpaid as at 31 March, are invoiced a 10% surcharge. Staff recommend that the imposition of the surcharge be deferred until after the emergency period has ended.

Trade debtors

- 6.3 The Council has a number of trade debtors outstanding at the time of the announcement of the lockdown. A large number of these debtors are businesses that will be affected by the lockdown. Similar to rates deferral, staff recommend that debtors unable to meet their obligation over the months of April and May 2020 be shown some leniency on the settlement of the debts to Council on a case by case basis.

Attachments / Ngā Tāpirihanga

There are no appendices to this report.

In addition to the attached documents, the following background information is available:

Document Name	Location / File Link
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Confirmation of Statutory Compliance / Te Whakatūturutanga ā-Ture

Compliance with Statutory Decision-making Requirements (ss 76 - 81 Local Government Act 2002).

(a) This report contains:

- (i) sufficient information about all reasonably practicable options identified and assessed in terms of their advantages and disadvantages; and
- (ii) adequate consideration of the views and preferences of affected and interested persons bearing in mind any proposed or previous community engagement.

(b) The information reflects the level of significance of the matters covered by the report, as determined in accordance with the Council's significance and engagement policy.

Signatories / Ngā Kaiwaitohu

Authors	Gavin Thomas - Principal Advisor Economic Policy Diane Brandish - Head of Financial Management
Approved By	Diane Brandish - Head of Financial Management Carol Bellette - General Manager Finance and Commercial (CFO)